

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

ER-5-0872

MEMORANDUM FOR: Col. L. K. White
Central Intelligence Agency

Subject: Meeting of January 7, 1954

I am sorry that I was unable to attend the meeting last Thursday with you and Messrs. Saunders and [] which was designed both to apprise you of our plans for the year and to learn the status of your fiscal projects. We also particularly wanted to pass on to you the attitude of our Director's Review towards a new building for your agency. The following notes represent the understandings of Hart Perry and Lyman Hamilton following the meeting. As usual, we will expect to hear from you if you have any different interpretation of what was said.

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1. Special clearance of a member of the Military Division. Mr. Saunders was to attempt to confirm the statement that the proper Pentagon authorities had called CIA to verify the clearance of this person.

2. Building. The conclusion of Director's Review, conforming to principles applied throughout the budget, was that there could be no construction started in fiscal year 1955 for a new CIA building. There was general recognition of and concern for your space problem, but they would encourage you to secure better space in some other manner. Examples of other alternatives discussed are the AEC arrangement for the Matomic Building and the possibility of appeal to higher levels than yet approached.

3. Bureau staff plans. The Community-wide project will occupy most of January and February. In March we will want to sit down with your staff to allocate CIA data among the categories developed by the IAC. Sometime after March, Perry and Hamilton will want to resume their orientation survey in DD/I and DD/A and, as invited by [] we will want to touch base in DD/P regarding the policy framework for clandestine activities.

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During this period we also will want to review with the Comptroller's staff the major fiscal processes of the agency, including the security of the budget display and the use of working funds.

4. Financial report. We have been anxious to install a regular reporting system which would provide essentially the same data as the Bureau receives from other agencies on SF's 133. We understand that the Budget Office is working on this and that only a few difficulties remain to be ironed out.

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5. Bureau drawer in safe. Mr. [] was designated to meet with Mr. Perry and Mr. Hamilton to decide what material now in the Bureau CIA safe should be transferred to a safe in the Comptroller's office.

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✓ 6. 1956 Format. Our staff would like to meet with staff of the Budget Office soon to pass on to them some of our ideas regarding the 1956 submission. Some of these suggestions derive from our work recently with the fine 1955 submission. Mr. [] was going to call when he is available for this purpose, perhaps early this week.

✓ 7. Circular 54-8. CIA staff feel that the agencies involved have been properly instructed on the procedure for showing reimbursements from your agency. The main problem you still foresee is the possibility that sub-committee chairmen may try to probe into classified projects.

✓ 8. Transfer of special operation. I understand that you agreed to check on the status of this transfer. We hope to discuss soon our normal transfer determination order procedure with Mr. Houston to uncover any major problems which may occur to him.

✓ 9. Draft legislation governing the shipment of household goods overseas. Meetings will be held on this subject Tuesday and Wednesday of this week. Mr. Saunders was provided with a draft and was to call us regarding a date for a meeting to discuss the implications of the draft for your agency.

✓ 10. No year funds. On this subject I would only reiterate that we stand ready to give sympathetic and expeditious review to any proposal from your agency for a greater use of no year funds than was provided for in your 1955 allowance letter. It was agreed that more extensive use of no year funds will not be discussed with your appropriations committees without further consultation with us.


Robert M. Macy
Chief, International Division